



NEW YORK STATE

Homes &
Community
Renewal

UNIFIED FUNDING 2011

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What's New?

- Early Award Round
- OMH Partnership (NYC only)
- PBV
- A & E changes
- Integration

What's New? -

Integration

- The State's main housing agencies have integrated under a single leadership structure.
- The new organization, **New York State Homes and Community Renewal (HCR)**, consolidates the state's myriad housing and community renewal programs.

What's New? –

Integration

▶ HCR aligns similar programs that had been administered by:

- the Housing Trust Fund Corporation (HTFC),
- the State of NY Mortgage Agency (SONYMA),
- the Housing Finance Agency (HFA),
- the Affordable Housing Corporation (AHC),
- and DHCR

and organizes them into four units.

What's New? -

Integration

- **Finance and Development** aligns programs that fund the development of affordable housing, including Low Income Housing Tax Credit programs, tax exempt and taxable bond finance programs, single family loan program, capital awards programs and all of HCR's bond issues.
- **Housing Preservation** includes programs that maintain and enhance the state's portfolio of existing affordable housing. This includes the Office of Rent Administration, the Section 8 program, Asset Management and the Weatherization Assistance Program.

What's New? – Integration

- **Community Renewal** includes programs that support community and economic development, job creation and downtown revitalization, including the NYS CDBG Program, NY Main Street program, HOME LPA, AHC, Neighborhood Stabilization Program and the Neighborhood and Rural Preservation programs.
- **Professional services** includes Communications, Legal, Administration, Fair Housing, Policy Development, and Accounting and Treasury.

UF Review Process – Rating & HCR Investment Strategy



FUNDAMENTALS – HCR will evaluate, among other things, whether the investment is feasible but for our investment, whether all the necessary components are identified and committed and whether the applicants have the proven experience and team members to successfully complete the investment.

LEVERAGING – HCR will consider whether the investment leverages significant outside resources such as third party funds, local funds, and/or local support.

OUTCOMES – HCR will consider the policy goals achieved by a particular investment.

Early Awards - General Info

- Submit a complete application by 5 pm, January 12, 2011
- Demonstrate that the project will be able to proceed to construction within 120 days of award
- The application will advance one of the following State housing goals

Early Awards – Housing Goals

Transit Oriented Development (TOD) – Workforce housing proposals near MTA rail stations outside NYC, or in communities that have completed and are implementing TOD plans.

Mitchell–Lama Preservation – Preservation of HCR–supervised Mitchell–Lama projects by extending their useful life and/or by averting their conversion to market–rate housing.

Housing Opportunity Projects – Workforce (family) housing in areas experiencing economic and population growth, and which are served by high–performing schools. Areas must be near public transportation and child care and must have low rental vacancy rates and a high percentage of renters paying 30% or more of income on housing. Average bedroom size should be 2 or more.

Early Awards – Housing Goals

Lead Abatement Projects – Projects which propose the rehabilitation and lead abatement of existing rental housing in zip codes identified by the NYS Dept of Health as having significant concentrations of children with elevated blood lead levels. At least 75% of project units must involve the rehab and lead abatement of existing rental units.

Mixed-Income and Mixed-Use Revitalization Projects – Projects that will create or rehabilitate mixed-use and mixed-income housing that will contribute to the revitalization of a downtown area or mixed use neighborhood. Projects must be part of a targeted local community development plan and must have local support. Applicants may apply for UI/RARP on these projects.

Early Awards – Housing Goals

Green Plus

High readiness projects must demonstrate that the project exceeds green building criteria established by HCR to the degree that the project receives all available green building points AND also includes the *Green Building Criteria Reference Manual* measures listed in the RFP.

Supportive Housing Projects

Applications that propose Supportive Housing Projects, as defined in Section 2040.2(v) of the DHCR QAP, and which evidence a coordinated State investment. Applications must clearly document a firm commitment of service, operating, and development financing from State funding partners.

General Overview – Program Funds Available

HOME	\$12,000,000
Low-Income Housing Credit (LIHC)	\$25,000,000
NYS Low-Income Housing Tax Credit (SLIHC)	\$4,000,000*
Housing Trust Fund (HTF)	\$29,000,000*

* Subject to available appropriations/legislative approval

General Overview – Schedule

- **October 27, 2010:** Notice of Funding Availability (NOFA)
- **November 2010:** Application Workshops
11/15–ROC 11/18–ALB 11/19–NYC
- **Prior to February 4, 2011 :** Regional Office Application
Technical Assistance (T.A.)
- **January 12, 2011:** Early Application Due
- **February 9, 2011:** Regular Application Due
- **April 2011:** Early Awards Anticipated
- **June 2011:** Regular Awards Anticipated

General Overview – Application Materials

1. UF-2011 Request for Proposals (RFP)
2. UF-2011 Project Application CD Online
3. Capital Project Application On-Line Instructions
4. Common Application Issues, Q & A
5. Reference Materials
6. Capital Programs Manual (CPM)

General Overview – Application Materials

7. Low-Income Housing Credit Qualified Allocation Plan (QAP)
8. NYS Low-Income Housing Tax Credit Program (SLIHC) Regulation
9. Article 2-A Public Housing Law (SLIHC)
10. Design Handbook
11. Green Building Criteria Reference Manual
12. Pre-Qualified Market Study Firms List

All documents will soon be available on the DHCR section of the HCR website

UF Review Process – Application Review

- ✓ Completeness
- ✓ Eligibility
- ✓ Rating
- ✓ Feasibility Reviews
- ✓ Selection Criteria
- ✓ Awards

UF Review Process – Completeness Review Standard

- Applications are reviewed to determine if exhibits and attachments have been submitted. Reviewers do not assess the quality of these submissions during completeness.
- Applicants are encouraged to double check their applications for completeness prior to submission
- Exhibits and Attachments used for scoring applications are not requested during the completeness review
- Early Award applications must meet a higher standard for completeness

UF Review Process – Completeness Review

Application Parts used in Rating

- Exhibit 1 Application Summary – for Community Impact/Revitalization, Sponsor Characteristics, Long Term Affordability; Persons with Special Needs; Participation of Non-Profit Organization; Mixed Income
- Exhibit 2 Community Impact/Revitalization Strategy – Community Impact/Revit.
- Exhibit 3 Development Budget – Community Impact/Revit.; Financial Leveraging; Project Readiness
- Exhibit 4 – Rents and Affordability – Financial Leveraging; Affordability; Individuals with Children; Mixed Income
- Exhibit 5 Operating Budget – Community Impact/Revit.
- Exhibit 6 Development Timetable – Community Impact/Revit.
- Exhibit 7 Development Team’s Relevant Experience – Sponsor Characteristics
- Exhibit 10 LIHC/SLIHC Project Summary – Financial Leveraging
- Attachment A1 – Evidence of Site Control – Community Impact/Revit., Financial Leveraging
- Attachment A2 – Zoning Compliance – Community Impact/Revit.
- Attachment A3 – Public Approvals – Community Impact/Revit.
- Attachment A4 – SHPO – Historic Nature of Project

UF Review Process – Completeness Review

Application Parts used in Rating continued...

- Attachment B7 – Green Building
- Attachment B9 – Energy Efficiency
- Attachment C1 Community Impact/Revitalization Support Documentation
- Attachment C2 Market Demand – Community Impact/Revitalization
- Attachment C3 – Public Housing/Section 8 Waiting Lists – Marketing Plan/Public Assistance
- Attachment D2 Operating Budget Documentation – Community Impact/Revit.
- Attachment D3 Funding Commitments – Community Impact/Revit.; Financial Leveraging; Project Readiness
- Attachment E Support Services/Special Needs – Persons with Special needs
- Attachment F3 Non-Profit Participation – Participation of Non-Profit Organization
- Attachment F9 Proposal Summary – Community Impact/Revitalization; Financial Leveraging; Participation of Non-Profit Organization; Historic Nature of Project

UF 2011 Funding Initiatives

(Detailed in UF 2011 RFP)

- Green Building Initiative (HTF/HOME)
- Energy Efficiency Initiative (HTF/HOME)
- Project Based Voucher Program Initiative (PBV)
- New York State Office of Mental Health Funding for Support Services and Rental Assistance for Priority Populations in New York City

M/WBE Participation

- Preference in awards given to applications which include NYS-certified M/WBE as part of development team
- Award decisions include consideration of applicant's past and current performance, including M/WBE performance

Questions regarding the M/WBE Program requirements should be directed to the Fair Housing Office at (518) 474-6157

Program Information – NYS HOME

- UF 2011 HOME available \$12 million
- Project Cap – \$2 million: more if project meets criteria listed in UF 2011 RFP
- Per Unit Subsidy is limited—see UF 2011 Reference Materials
- Permanent or Seed financing available – rental residential projects only
- 15% of HOME funds must go to CHDO's
- Applicant is applying as a CHDO must have a CURRENT certification

Program Information – NYS HOME

- Must be used to assist households \leq 80% of AMI
- Davis–Bacon requirements for projects with 12 or more HOME assisted units
- Preservation project set–aside not applicable in UF 2011
- For more info – refer to CPM Section 2 on HCR’s website

Program Information – Housing Development Fund Program (HDF)

Subject to the availability of appropriations, HDF Program loan funds may be available to provide construction financing to eligible not-for-profit applicants who propose to use HOME funds as one of the sources of permanent financing for a UF 2011 project.

Program Information – Housing Trust Fund (HTF)

- UF 2011 HTF available \$29 million
- Project cap – \$2 million; more if project meets one of UF 2011 RFP– listed criteria
- HTF per unit cap – \$125,000
- Permanent, construction or seed financing available (seed for non–profits only), residential only
- Must benefit households \leq 90% of AMI (in NYC \leq 80% of AMI)
- Preference for projects with a substantial number of units \leq 50% AMI

Program Information – Housing Trust Fund (HTF)

- Up to 10% of HTF award for a community service facility
- Up to 10% of HTF award for a non-profit developer fee

Up to 50% of HTF award for cost of acquisition

- Preservation Set-Aside not applicable in UF 2011
- For more info – see CPM Section 2 on HCR website

Program Information – Low-Income Housing Credit Program (LIHC)

- UF 2011 LIHC available: \$25 million
- LIHC max. per project
 - Standard project: \$1.43 million
 - Project w/ 50% or more units for large families or persons with special needs (w/supportive services): \$1.65 million
- LIHC max. per unit: \$22,000
- Must benefit households \leq 60% AMI
- For acquisition, rehabilitation and new construction of residential units

Program Information – Low-Income Housing Credit Program (LIHC)

➤ Preservation Projects:

Up to \$3.3 million (QAP Sect. 2040.2(r))

- High Acquisition Cost Projects (Preservation Projects with 25% minimum acquisition): No more than \$1 million (QAP Sect. 2040.2(j)) of the preservation set-aside

➤ Supportive Housing Projects:

Up to \$2.2 million (QAP Sect. 2040.2(v))

Program Information – LIHC Application & Allocation Fees

- Credit Application Fee
 - \$3,000 per application
 - \$6,000 if both LIHC & SLIHC are requested
- Allocation Fee
 - 8% of 1st year's allocation amount

Program Information – LIHC Scoring Modification

- Financial Leveraging (QAP sect. 2040.3(e)(2))
 - Third Party Funds
 - Local Funds
 - Local Support and Implementation Measures
 - Land and/or Building Donation
 - Credit Request per Unit
 - Investor Pay-In Proposed
(improving credit equity market!)

Program Information –

LIHC Program Advisory

- The federal Housing and Economic Recovery Act of 2008 (HERA) set fixed applicable percentage of qualified basis of 9%
- For new construction/rehabilitation of non-federally subsidized buildings
- This HERA provision sunsets for projects placed in service after December 31, 2013
- Prospective applicants, if applicable, should use unadjusted monthly credit rate in calculating LIHC application request amount.

Program Information –

NYS Low-Income Housing Tax Credit (SLIHC)

- SLIHC available: \$4 million (subject to 2011 /2012 state budget)
- SLIHC max. per project: \$750,000
- SLIHC max. per unit: \$ 20,000
- Program modeled after LIHC except units affordable to households \leq 90% AMI

Program Information – SLIHC Program Advisory

- Nearly 7 to 1 Demand in 2010
- Joint LIHC/SLIHC deals should not request the maximum under each program
- HCR preferences:
 - Leveraging
 - Mixed Income projects (at least 15% or more of the project units above 60% of AMI)

Program Information – Open Window Programs

- **NYS Low-Income Housing Credit Program (SLIHC)– open**
- **Urban Initiative/Rural Area Revitalization Program (UI/RARP) – open only for Early Award – Mixed Income Mixed Use projects**
- **Homes for Working Families (HWF) –currently closed, may reopen – subject to availability of funds**

Underwriting – Changes

Vacancy Factor

- 5% vacancy must be used in estimating residential rental income for ALL UF 2011 project applications regardless of project type

Underwriting – Changes

Project Based Voucher Assistance: Subsidy Layering Review (SLR)

- Applicants proposing PBV assistance should review HUD SLR guidelines issued July 9, 2010, Federal Register Notice FR-5417-N-01.

<http://www.hud.gov/offices/pih/programs/hcv/fmd/07-09-10.cfm>

Underwriting – Changes

Project Based Voucher Assistance Subsidy Layering Review

- HUD SLR guidelines establish limits on builder's fees, developer fee, and project cash flow
- HUD limits will be applied in the feasibility underwrite of applications proposing PBV assistance

Underwriting –

Assistance

- Refer to Section 5 of the Capital Programs Manual for specific project underwriting criteria
- **Technical assistance** prior to application submission strongly encouraged
- Contact Regional Office staff to request underwriting review of project pro-formas

Architecture & Engineering – Design Related Publications

- Revised Design Handbook
- Revised Green Building Criteria Reference Manual
- Both contain:
 - Updates to coincide with the integration of DHCR & NY Homes
 - Technical updates & clarifications

Architecture & Engineering – Early Award Green Plus

- Green Building Criteria:
(see Green Building Criteria Reference Manual)
 - Must include sufficient criteria to be awarded ALL available green building points
 - Must submit a full Phase I Environmental Site Assessment
 - ✓ No hazardous substances or petroleum products

Architecture & Engineering – Early Award Green Plus

- Green Building Criteria:
(see Green Building Criteria Reference Manual)
 - Must include a minimum of 6 of 7 Location & Neighborhood Fabric criteria including...
 - within walking distance to a full service grocery store

Architecture & Engineering – Early Award Green Plus

- Green Building Criteria:
(see Green Building Criteria Reference Manual)
 - Must include all Healthy Living Environment criteria
 - Must include Construction Waste management
 - Must include one additional item in any of the three categories in Section C

Architecture & Engineering – Early Award Green Plus

- Energy Efficiency:
 - Must demonstrate that the project has been designed to one of the Energy Efficiency standards listed in the RFP.

Architecture & Engineering – Early Award Green Plus

- Energy Efficiency:
 - **Document proof of readiness:**
 - ✓ Submit building modeling summary; or
 - ✓ Submit detailed analysis of prescriptive requirements.
 - For ENERGY STAR Multifamily High Rise:
 - ✓ Analyze design based on
 - 15% improvement over ASHRAE 90.1–2007

Architecture & Engineering – LIHC & HTFC Green Building

- Mandatory Green items *must be satisfied* **before** project can qualify for scoring points:
 - Initial threshold criteria
 - ✓ (plans & specs)
 - Green development plan
 - ✓ **Must be submitted with the application**

Architecture & Engineering – LIHC & HTFC Green Building

- Mandatory Green items *must be satisfied before* project can qualify for scoring points:
 - Surface water management plan
 - ✓(plans & specs)
 - Green building operation plan
 - ✓ Not submitted in application;
 - ✓ explain it in the green development plan

Architecture & Engineering – LIHC & HTF Green Building & Energy Efficiency

- **LIHC/SLIHC**
 - Scoring points (competitiveness)

- **HTF/HOME**
 - Scoring points (competitiveness)
 - Energy Efficiency Initiative, or
 - Green Building Initiative
 - ✓ Allows for an increased award of up to \$2.4 million

Architecture & Engineering – LIHC & HTFC Energy Efficiency

- **NYSERDA Programs:**
 - Multifamily Performance Program
 - NY ENERGY STAR Homes Program
 - NY Assisted Home Performance with ENERGY STAR

Architecture & Engineering – LIHC & HTFC Energy Efficiency

➤ Other options:

- Conform to EPA ENERGY STAR Multifamily High Rise Program
- Conform to EPA ENERGY STAR New Homes Program
- For moderate rehabilitation/preservation projects:
 - ✓ Reduce overall energy usage by 20%
 - ✓ Meet current energy code for new buildings

Common Application Flaws – Site Control as Eligibility Issue

- CPM Sec. 5.03.01 says **applicant** must have site control at application
- Site control also deemed eligible if an entity controlled by the applicant has site control; proper documentation will be required in application which demonstrates formal relationship between applicant and affiliate
- Site control for each site or building proposed must be shown

Common Application Flaws – Site Control

- Examples of Ineligible Site Control
 - **Applicant** is not listed as owner in site control documents
 - Affiliate of **applicant** has site control but no information provided showing control relationship between applicant and affiliate
 - Option agreements wherein it is not clear if the option extension payments have been made up to application or up to 6 months beyond application date
 - Per HTF statute Housing Authorities must own the proposed project/building after July 1, 1986
 - Scattered site project wherein site control is not established for all proposed sites
 - Failure to execute all documents where applicable

Common Application Flaws – CHDO Certification

Applicants must have a current CDHO certification in order to apply as a CHDO for HOME funds

- If the HTFC-issued CHDO Determination letter is more than one year old but less than three years old, the CHDO president or chairperson will be required to provide a written statement certifying that no organizational changes have been made which would affect the CHDO determination.
- If the CHDO Determination Letter is more than three years old, the CHDO MUST BE RECERTIFIED BY THE REGIONAL OFFICE PRIOR TO APPLICATION in order to be considered a CHDO applicant. See Section 2.05.02.B.2 of the CPM for the CHDO requirements.

Technical Assistance (TA)

- For potential applicants and awardees through:
 - HCR Regional and Technical Unit staff and/or
 - TA Consultants
 - Development Seminars & Materials (Online at the HCR website)
- For assistance with the application system **Community Development Online (CD Online)**
 - Contact the MSR Unit at (518) 473-2525

Technical Assistance (TA)

Buffalo Regional Office

Electric Building, Suite 105

535 Washington Avenue

Buffalo, New York 14203

Leonard Skrill, Upstate Director of Development (716) 847-3926

(518) 461-6591 cell

Kristen Slaiman, Senior Project Manager

(716) 847-3085

Syracuse Regional Office

620 Erie Boulevard West, Suite 312

Syracuse, New York 13204

Lois Holden, Senior Project Manager

(315) 478-7179 x 219

Kathleen Karpinski, Senior Project Manager

(315) 478-7179 x 217

Technical Assistance (TA)

Capital District Regional Office

Hampton Plaza, 2nd Floor

38–40 State Street

Albany, New York, 12207

Robert Shields, Senior Project Manager

(518) 486–5013

James Armstrong, Senior Project Manager

(518) 486–5011

New York City Regional Office

25 Beaver Street, 7th Floor

New York, NY 10004

Earnest Langhorne, Downstate Director of Development (212) 480–7473

Michael Ferguson, Senior Project Manager

(212) 480–7494

Questions & Answers

www.nyshcr.org